

spring of 1908, the question of the bank was left to a special commission. The markets were disturbed at first by the fear that the Hungarians were determined upon immediate separation, but confidence was restored by the decision of the commission of twenty-one appointed by the Diet to take a year for consideration.<sup>1</sup> It was contended by the partisans of a separate bank that the Austro-Hungarian Bank devoted its energies too largely to foreign exchange and too little to the extension of discount privileges to Hungarian commerce.

When the commission first set about making plans for the inquiry, it proposed to treat the question of separation as settled and to obtain expert opinion only upon the form of organization of the new Hungarian state bank. This policy raised such a protest, however, that it was modified so as to include the broader question whether separation was advisable.<sup>3</sup> When the inquiry was opened in June, the expert opinion obtained was almost unanimously against the creation of a separate bank under existing conditions of the economic development of Hungary. It was pointed out that, although Hungary had the capital of Austria to draw upon, the tendency of interest rates was already higher in Bucla-Pesth and the Hungarian provinces than in Austria, and that separation would intensify this tendency and tend to arrest the commercial development of Hungary. Of fourteen experts called, all pointed out the grave disadvantages of separation.<sup>3</sup>

<sup>1</sup> London *Economist*, April 4, 1908, LXVI., 736. The questions addressed to leading economists are given in *Economists Europfon*, April 10, 1908, XXXIII., 473.

<sup>3</sup> *Moniteur des Interets Mattiriels*, April 26, 1908, 1367.

<sup>3</sup>1/>ndon *Economist*, June 13, 1908, lyXVL, 1248.